

UNITED STATES JUDICIAL PANEL
on
MULTIDISTRICT LITIGATION

IN RE: COUNTRYWIDE FINANCIAL CORP.
MORTGAGE-BACKED SECURITIES LITIGATION

Federal Deposit Insurance Corp. as Receiver for Franklin Bank,)	
S.S.B. v. Countrywide Securities Corp., et al.)	MDL No. 2265
S.D. Texas, C.A. No. 4:11-4188)	

TRANSFER ORDER

Before the Panel:* Pursuant to Rule 7.1, plaintiff Federal Deposit Insurance Corp. (FDIC) as Receiver for Franklin Bank, S.S.B. (Franklin Bank), moves to vacate our order that conditionally transferred its action to MDL No. 2265. Responding defendants¹ oppose the motion and favor inclusion of *Franklin Bank* in MDL No. 2265.

After considering all argument of counsel, we find this action involves common questions of fact with the actions previously transferred to MDL No. 2265, and that transfer will serve the convenience of the parties and witnesses and promote the just and efficient conduct of the litigation. Moreover, transfer is warranted for reasons set out in our order directing centralization. In that order, we held that the Central District of California was an appropriate Section 1407 forum for actions sharing factual questions arising from allegations that Countrywide and affiliated defendants misrepresented to investors in Countrywide mortgage-backed securities (MBS) origination practices for, and the credit quality of, the mortgage loans Countrywide originated from 2004 to 2007. *See In re Countrywide Fin. Corp. Mortgage-Backed Sec. Litig.*, 812 F. Supp. 2d 1380 (J.P.M.L. 2011). Plaintiff alleges that Franklin Bank purchased Countrywide mortgage-backed securities, and this action shares questions of fact with the actions in MDL No. 2265.

In opposition to inclusion of its action in MDL No. 2265, plaintiff FDIC argues, *inter alia*, that (1) this action should be coordinated with two similar actions brought by it against different MBS issuers in the Southern District of Texas; and (2) a motion for remand to state court is pending in the Southern District of Texas. While plaintiff's suggestion of coordination in the Southern District of Texas is laudable, transferring *Franklin Bank* to the MDL proceedings will promote the just and efficient conduct of all Countrywide MBS cases. Inclusion of all *Franklin Bank* Countrywide MBS claims ensures that a single judge presides over these Countrywide MBS actions providing consistency, preventing

* Judge John G. Heyburn II and Judge Barbara S. Jones took no part in the decision of this matter.

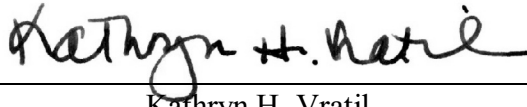
¹ The Countrywide defendants (Countrywide Financial Corp. (Countrywide); Countrywide Securities Corp.; CWMB, Inc.; and CWALT, Inc.); Bank of America Corp. (Bank of America); and BNP Paribas Securities Corp., and Deutsche Bank Securities, Inc.

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conflicting rulings, and greatly reducing the duplicative expenditure of judicial and party resources. Furthermore, plaintiff can present its pending motion for remand to state court to the transferee judge. *See, e.g., In re Ivy*, 901 F.2d 7 (2d Cir. 1990); *In re Prudential Ins. Co. of Am. Sales Practices Litig.*, 170 F. Supp. 2d 1346, 1347-48 (J.P.M.L. 2001). Transfer of *Franklin Bank* will not delay unnecessarily the resolution of the pending remand motion. The transferee judge has resolved quickly remand motions in other Countrywide MBS cases before her.

IT IS THEREFORE ORDERED that pursuant to 28 U.S.C. § 1407, this action is transferred to the Central District of California and, with the consent of that court, assigned to the Honorable Mariana R. Pfaelzer for inclusion in the coordinated or consolidated pretrial proceedings.

PANEL ON MULTIDISTRICT LITIGATION

A handwritten signature in black ink, reading "Kathryn H. Vratil". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Kathryn H. Vratil
Acting Chairman

W. Royal Furgeson, Jr.
Marjorie O. Rendell

Paul J. Barbadoro
Charles R. Breyer